



# Department of Justice

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## **JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN VERIZON'S ACQUISITION OF RURAL CELLULAR CORP.**

*Divestitures Will Preserve Competition for Consumers of  
Mobile Wireless Services Throughout Vermont and Areas of New York and Washington*

WASHINGTON — The Department of Justice announced today that it will require Verizon Communications Corp. (Verizon) to divest assets in six geographic areas in Vermont, New York and Washington in order to proceed with its \$2.7 billion acquisition of Rural Cellular Corp. (RCC), which does business under the Unicel name. The Department said that the transaction as originally proposed would have substantially lessened competition to the detriment of consumers of mobile wireless telecommunications services in those areas, potentially resulting in higher prices, lower quality and reduced network investments.

The Department's Antitrust Division filed a civil lawsuit today in U.S. District Court for the District of Columbia to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit.

"These divestitures are necessary to preserve the benefits of competition for residents throughout the state of Vermont and in areas of New York and Washington," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

Verizon is the second largest mobile wireless telecommunications services provider in the United States as measured by subscribers, serving more than 65 million subscribers in 49 states. In 2007, Verizon earned mobile wireless telecommunications services revenues of approximately \$43 billion. RCC is the 10th largest mobile wireless telecommunications services provider in the United States as measured by subscribers, and provides mobile wireless telecommunications services to almost 790,000 subscribers in 15 states. In 2007, RCC earned approximately \$635 million in revenues.

The divestitures are required to assure continued competition in markets where the proposed transaction would otherwise result in a significant loss of competition. Verizon and RCC are the most significant competitors in Vermont's two Rural Service Areas (RSAs) and the Burlington Metropolitan Statistical Area, as well as in one RSA in New York and two RSAs in Washington. According to the complaint, the proposed transaction would substantially reduce competition for mobile wireless telecommunications services in these areas, where, in each case, Verizon and RCC collectively serve more than 60 percent of subscribers.

The transaction also is subject to review by the Federal Communications Commission (FCC). The Department has coordinated with the FCC throughout its investigation. The state of Vermont joined the Department in the complaint and proposed consent decree.

As required by the Tunney Act, the proposed settlement, along with the Department's Competitive Impact Statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Nancy M. Goodman, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, United States Department of Justice, 1401 H Street, N.W., Suite 8000, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed consent decree upon finding that it is in the public interest.

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